



**BILLING CODE: 6820-EP**

**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**48 CFR Parts 2, 9, 13, 16, 19, 22, 25, and 52**

**[FAR Case 2018-004; Docket No. FAR-2018-0011, Sequence No. 1]**

**RIN 9000-AN65**

**Federal Acquisition Regulation: Increased Micro-Purchase and Simplified Acquisition Thresholds; 2018-004**

**AGENCY:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Proposed rule.

**SUMMARY:** DoD, GSA, and NASA are proposing to amend the Federal Acquisition Regulation (FAR) to implement a section of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 and several sections of the NDAA for FY 2018 that increase the micro-purchase threshold (MPT), increase the simplified acquisition threshold (SAT), and clarify certain procurement terms, as well as align some non-statutory thresholds with the MPT and SAT.

**DATES:** Interested parties should submit comments to the Regulatory Secretariat Division at one of the addresses

shown below on or before **[Insert 60 days after date of publication in the FEDERAL REGISTER]** to be considered in the formulation of a final rule.

**ADDRESSES:** Submit comments in response to FAR Case 2018-004 by any of the following methods:

- Regulations.gov: <http://www.regulations.gov>.

Submit comments via the Federal eRulemaking portal by searching for "FAR Case 2018-004". Select the link "Comment Now" that corresponds with "FAR Case 2018-004." Follow the instructions provided on the screen. Please include your name, company name (if any), and "FAR Case 2018-004" on your attached document.

- Mail: General Services Administration, Regulatory Secretariat Division (MVCB), ATTN: Lois Mandell, 1800 F Street, NW, 2nd floor, Washington, DC 20405.

Instructions: Please submit comments only and cite "FAR case 2018-004" in all correspondence related to this case. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided. To confirm receipt of your comment(s), please check <http://www.regulations.gov>, approximately two to three days

after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

**FOR FURTHER INFORMATION CONTACT:** Mr. Michael O. Jackson, Procurement Analyst, at 202-208-4949 or [michaelo.jackson@gsa.gov](mailto:michaelo.jackson@gsa.gov) for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat Division at 202-501-4755. Please cite "FAR Case 2018-004".

**SUPPLEMENTARY INFORMATION:**

**I. Background**

DoD, GSA, and NASA are proposing to amend the FAR to implement section 217(b) of the NDAA for FY 2017 (Public Law 114-328) and sections 805, 806, and 1702(a) of the NDAA for FY 2018 (Public Law 115-91). The proposed rule will also replace non-statutory, stated dollar thresholds that are intended to correspond with the MPT and SAT, with the text "micro-purchase threshold" and "simplified acquisition threshold." Referencing some stated thresholds by name instead of by a specific dollar value will ease maintenance of regulations, given the likelihood of future changes to the threshold amounts. Text clarifying the use of the approval thresholds, based on the increase of the SAT, for sole source justifications executed under the simplified

procedures for certain commercial items has been added to subpart 13.5.

Section 217(b) amends 41 U.S.C. 1902 to increase the MPT for acquisitions from institutions of higher education or related or affiliated nonprofit entities, or from nonprofit research organizations or independent research institutes, from \$3,500 to \$10,000, or a higher amount as determined appropriate by the head of the agency and consistent with clean audit findings under 31 U.S.C. Chapter 75, an internal institutional risk assessment, or State law.

Section 806 increases the MPT in 41 U.S.C. 1902(a) to \$10,000.

Section 805 increases the SAT to \$250,000.

Section 1702(a) amends section 15(j)(1) of the Small Business Act (15 U.S.C. 644(j)(1)) to replace specific dollar thresholds with the terms "micro-purchase threshold" and "simplified acquisition threshold."

## **II. Discussion and Analysis**

This rule proposes to amend the FAR, as follows:

- At FAR Part 2, to—
  - Replace "\$3,500" with "\$10,000" and add an exception to the MPT for acquisitions from institutions of higher education or related or

affiliated nonprofit entities, nonprofit research organizations, or independent research institutes, at the definition of "micro-purchase threshold" and,

o Replace "\$150,000" with "\$250,000" at the definition of "simplified acquisition threshold."

- At FAR Part 3, to replace "simplified acquisition threshold" with "\$150,000" at 3.502-3 to conform to 3.502-2(i).
- At FAR part 9, to replace "\$3,500" with "\$10,000" as the Federal tax delinquency threshold, at 9.406-2(b)(1)(v) replaces "\$3,500" with "the threshold at FAR 9.104-5(a)(2)" and at 9.407-2(a)(7) replaces "\$3,500" with "the threshold at FAR 9.104-5(a)(2)".  
When an offeror indicates in its representations and certifications a delinquency in excess of the threshold, a contracting officer must report that information to the agency's suspending or debarring official, and, a suspending or debarring official may suspend or debar a contractor for delinquent Federal taxes in excess of the threshold.
- At FAR part 13, to replace "\$3,500" with "the micro-purchase threshold" and "\$150,000" with "the

simplified acquisition threshold” when addressing the thresholds for acquisitions that are reserved exclusively for small business concerns;

- o At FAR 13.005, List of laws inapplicable to contracts and subcontracts at or below the simplified acquisition threshold, there is an impact of this increase in the SAT. This list was first required by section 4101 of FASA (Pub. L. 103-355), now codified at 41 U.S.C. 1906. FASA sections 4102-4104 made certain laws inapplicable below the SAT, and made other laws inapplicable below \$100,000. At the time, these two thresholds were of equivalent value, so there was no problem with listing all of them at FAR 13.005. Intervening escalation raised all of these thresholds to \$150,000. However, now that the SAT has been increased to \$250,000, those thresholds that were set at a dollar value rather than at the SAT, are not increasing to \$250,000. Therefore, the following laws should be removed from the list at FAR 13.005: 13.005(a)(1), (a)(2), (a)(3), and (a)(5);
- o At FAR 13.501(a)(2) to clarify the procedures to be used for justifications of other than full and

open competition, when the simplified acquisition threshold is raised, e.g., for contingency operations.

- At FAR part 16, to replace "\$150,000" with "the simplified acquisition threshold" when addressing the maximum threshold for fixed-ceiling-price contracts with retroactive price redetermination and the maximum threshold for firm-fixed-price, level-of-effort term contracts, without higher level approval.
- At FAR part 19, to replace "\$3,500" with "the micro-purchase threshold" and/or "\$150,000" with "the simplified acquisition threshold" when addressing set-aside requirements, and inserting the clause for FAR 52.219-14, Limitations on Subcontracting.
- At FAR part 22, specifically, 22.1803, replace "the simplified acquisition threshold" with "\$150,000."
- At FAR part 25, to replace "\$3,500" with "10,000" as the "significant transaction" amount an offeror may not exceed when engaging with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates.
- At FAR part 52, to-

- o Replace "\$3,500" with "the threshold at 9.104-5(a)(2)" at FAR 52.209-5(a)(1)(i)(D) and FAR 52.212-3(h)(4);
- o Replace "\$150,000" with the "simplified acquisition threshold" as the subcontractor flow-down threshold for FAR 52.203-16, Preventing Personal Conflicts of Interest;
- o Replace "\$3,500" with "the micro-purchase threshold" as the threshold an offer must exceed, unless otherwise required, for the offeror to be required to provide its unique entity identifier, as stated in paragraph (j) of FAR provision 52.212-1, Instruction to Offerors - Commercial Items;
- o Replace the threshold an offeror must certify, in paragraph (o)(2)(iii) of FAR 52.212-3, and FAR 52.225-25, Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran - Representation and Certifications, it has not exceeded when engaging with Iran's Revolutionary Guard Corps or any of its officials, agents, or affiliates. The clause title of FAR 52.225-25 is also corrected. The threshold will be that at FAR 25.703-2(a)(2);

- o Replace "\$150,000" with "the simplified acquisition threshold" as the threshold a subcontract award must exceed in order for a contractor to be required to keep records on the corresponding subcontract solicitation, as identified in FAR clause 52.219-9, Small Business Subcontracting Plan and its Alternate IV.

### **III. Expected Impact of the Proposed Rule and Proposed Cost Savings**

This rule impacts any business, large or small, that prepares quotes exceeding \$3,500 (\$5,000 for DoD) and not exceeding \$10,000 (or higher for select educational institutions); proposals exceeding \$150,000 and not exceeding \$250,000; and proposals exceeding \$300,000 and not exceeding \$500,000, in support of humanitarian or peacekeeping operations. This rule does not add any new solicitation provisions or contract clauses. Rather, it reduces burden on contractors by increasing the thresholds at which various regulatory burdens apply.

Increasing the MPT and SAT means additional awards could be made under the MPT and additional awards could be made under the SAT. The additional awards at or below the MPT would not require provisions or clauses, except as provided in FAR 13.202 and FAR 32.1110, and the additional

awards at or below the SAT would be awarded without provisions and clauses which are prescribed only above the SAT. In addition to including fewer regulations in applicable awards, the proposed rule would allow for more awards based on quotes in lieu of a formal proposal, thereby reducing the contractor's bid and proposal costs. Costs associated with contractor financing could also be reduced by increasing the number of micro-purchases, for which the Governmentwide purchase card is the preferred method of purchase and payment (see FAR 13.201(b)).

To determine the dollar amounts and entities affected, data was pulled from the Federal Procurement Data System (FPDS) from fiscal years 2015-2018. For the micro-purchase value change, there was an annual average in total impacted contract awards of \$2,442,317 for small businesses and \$1,359,916 for other than small businesses for contracts with values exceeding \$3,500 (\$5,000 for DOD), but less than or equal to \$10,000 (or higher, for educational institutions). For the simplified acquisition threshold change, there was an annual average in total impacted contract awards of \$300,073,039 for small businesses and \$161,715,144 for other than small businesses for contracts with values exceeding \$150,000, but less than or equal to

\$250,000 (from \$300,000 to \$500,000 for contingency, humanitarian, or peacekeeping awards).

Commercial item awards, as well as orders placed through indefinite-quantity contract orders and other large contracting schedule orders, were removed from this calculation to determine the cost reduction on offerors and contractors. Commercial items were removed from this calculation because the simplified threshold for commercial item awards is set at \$7 million, so the increased SAT threshold would not impact compliance or business procedures for contractors with awards conducted through commercial item procedures.

To calculate the burden reduction on Government by raising these thresholds, indefinite-quantity contracts were included, as the threshold changes would impact Government acquisition procedures.

The Federal Acquisition Streamlining Act (FASA) made a number of laws inapplicable to items procured under the SAT. This was meant to save both the Government and service providers money while also expediting the entire contract process. When finalized, this rule will decrease the number of regulatory requirements agencies need to include in awards.

Because this rule will reduce bid and proposal costs and other administrative burdens and since it does not implement any new requirements on offerors, DoD, GSA, and NASA believe this rule to be deregulatory.

Please see the Regulatory Cost Analysis narrative for an in-depth discussion of data used to calculate the estimated reduced burden on contractors and the Government. To access the full Regulatory Cost Analysis for this rule, go to the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov), search for "FAR Case 2018-004," click "Open Docket," and view "Supporting Documents." The following is a summary of the estimated public and Government cost savings calculated in perpetuity in 2016 dollars at a 7-percent discount rate:

SUMMARY	Public	Government	Total
Present Value Costs	-\$662,413,271	-\$2,216,678,757	-\$2,879,092,029
Annualized Costs	-\$46,368,929	-\$155,167,513	-\$201,536,442
Annualized Value Costs (as of 2016 if Year 1 is 2019)	-\$37,850,858	-\$126,662,911	-\$164,513,770

In an attempt to quantify savings as a result of this rule, DoD, GSA, and NASA seek input from contractors that

could be impacted by this rule. In addition to the Government cost savings discussed in the accompanying materials in the docket at [www.regulations.gov](http://www.regulations.gov), DoD, GSA, and NASA welcome feedback on contract proposals and contract quotes (but not quotes for a task order or delivery order) on-

1. The total bid and proposal (B&P) cost and the total number of proposals in Fiscal Year (FY) 2018 for proposals greater than \$150,000 and less than or equal to \$250,000, including the hours expended in the preparation of the proposals and personnel involved. If available, the total cost related to compliance for awards greater than \$150,000 and less than or equal to \$250,000 that could be eliminated by using simplified acquisition procedures.

2. The total B&P cost and the total number of quotes in FY 2018 for quotes less than or equal to \$150,000, including the hours expended in the preparation of the quotes and personnel involved.

3. The total B&P cost and the total number of quotes in FY18 for quotes greater than \$3,500 and less than or equal to \$10,000, including the hours expended in the preparation of the quotes and personnel involved. If available, the total cost related to compliance for awards

greater than \$3,500 and less than or equal to \$10,000 that could be eliminated by conducting a micro-purchase.

4. The total B&P cost and the total number of quotes in FY18 for quotes less than or equal to \$3,500, including the hours expended in the preparation of the quotes and personnel involved.

**IV. Applicability to Contracts at or Below the Simplified Acquisition Threshold and for Commercial Items, Including Commercially Available Off-the-Shelf (COTS) Items**

The rule applies to contracts at or below the simplified acquisition threshold, and to contracts for commercial items, including COTS items. However, it does not add any new solicitation provisions or contract clauses, and it reduces burden on contractors by increasing the thresholds at which various regulatory burdens apply.

**V. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing

rules, and of promoting flexibility. This is an economically significant regulatory action and, therefore, was subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is a major rule under 5 U.S.C. 804.

#### **VI. Congressional Review Act**

This proposed rule is subject to the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 et seq.) and will, if finalized, be transmitted to the Congress and to the Comptroller General for review in accordance with such provisions.

#### **VII. Executive Order 13771**

This rule is subject to E.O. 13771 because this rule is an economically significant regulatory action under E.O. 12866. As explained in section III of this preamble and in the accompanying documentation available in the docket at [www.regulations.gov](http://www.regulations.gov), DoD, GSA, and NASA believe the rule is deregulatory and seek public input on this preliminary determination as well as information that can better quantify savings.

#### **VIII. Regulatory Flexibility Act**

DoD, GSA, and NASA expect this rule to have a positive significant economic impact on a substantial number of

small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq. An Initial Regulatory Flexibility Analysis (IRFA) has been performed and is summarized as follows:

DoD, GSA, and NASA are proposing to amend the FAR to implement a section of the NDAA for Fiscal Year (FY) 2017 and several sections of the NDAA for FY 2018 that increase the MPT, increase the SAT, clarify certain procurement terms, as well as align non-statutory thresholds with the MPT and SAT.

The objective of the rule is to implement section 217(b) of the NDAA for FY 2017 (Pub. L. 114-328) and sections 805, 806, and 1702(a) of the NDAA for FY 2018 (Public Law 115-91), as well as align non-statutory, stated dollar thresholds that are intended to correspond with the MPT and SAT, with word-based thresholds to ensure continued alignment with the current increase to these thresholds and any future change to the threshold amounts. DoD, GSA, and NASA expect this rule to have a positive significant economic impact on a substantial number of small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq.

According to data from the Federal Procurement Data System (FPDS), there were 505 contracts awarded in FY 2018 with a value exceeding \$3,500 (\$5,000 for DOD), but less than or equal to \$10,000 wherein contractors would have a change in compliance requirements. Of the 505 new awards, 358 (71 percent) of these actions were awarded to 198 unique small business entities.

Data from FPDS also indicates that in FY 2018, there were no (0) small business entities that had additional contract actions for educational or related institutions for contracts with a value exceeding \$10,000, but less than or equal to \$15,000 (equivalent to the upper bound of the expected micro-purchase value for these types of institutions) wherein contractors would have a change in compliance requirements.

Data from FPDS also indicates there were 3,653 new contracts awarded in FY 2018 with a value exceeding \$150,000, but less than or equal to \$250,000 wherein contractors would have a change in compliance requirements. Of these, 2,621 (72 percent) of these actions were awarded to 1,680 unique small business entities.

As mentioned previously, commercial items were removed from this calculation because the simplified threshold for commercial item awards is set at \$7 million,

so the increased SAT threshold would not impact compliance or business procedures for contractors with awards conducted through commercial item procedures.

Data from the FPDS further indicates that for contingency, humanitarian, or peacekeeping contract actions, there were 11 new total contracts awarded in FY 2018 with a value exceeding \$300,000 but less than or equal to \$500,000 wherein contractors would have a change in compliance requirements. Of these, 4 (36 percent) of these actions were awarded to 4 unique small business entities.

This rule will also change the small-business set aside threshold under FAR 19.502; instead of being from greater than \$3,500 to less than or equal to \$150,000, the threshold will be from greater than \$10,000 to less than or equal to \$250,000. This is expected to increase the number of small business entities able to do business with the Government; for contracts affected by this threshold change, (please see full regulatory cost analysis for explanation of excepted contract types), in FY 2018, there were 3,653 records exceeding \$150,000 and less than or equal to \$250,000, while there were 505 records exceeding \$3,500 (\$5,000 for DOD) and less than or equal to \$10,000.

As of September 30, 2017, there were 637,791 active entity registrations in SAM. Of those active entity registrations, 452,310 (71 percent) completed all four modules of the registration, in accordance with the definition "Registered in the System for Award Management (SAM)" at FAR 52.204-7(a), including Assertions (where they enter their size metrics and select their NAICS Codes) and Reqs & Certs (where they certify to the information they provided and the size indicator by NAICS).

Of the possible 452,310 active SAM entity registrations, 338,207 (75 percent) certified to meeting the size standard of small for their primary NAICS Code. Therefore, this rule may be beneficial to 338,207 small business entities that submit solicitation responses that may now fall under the MPT or SAT and have streamlined procedures as a result of this rule.

The proposed rule applies to all entities who do business with the Federal Government.

This proposed rule does not include any new reporting, recordkeeping, or other compliance requirements. The rule reduces burden on contractors by increasing the thresholds at which various regulatory burdens begin to apply. The proposed rule does not duplicate, overlap, or conflict with any other Federal rules. There are no known significant alternative approaches to the proposed rule that would meet the requirements of the applicable requirement.

The Regulatory Secretariat Division has submitted a copy of the IRFA to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the IRFA may be obtained from the Regulatory Secretariat Division. DoD, GSA, and NASA invite comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD, GSA, and NASA will also consider comments from small entities concerning the existing regulations in subparts affected by the rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C 610 (FAR Case 2018-004), in correspondence.

#### **IX. Paperwork Reduction Act**

The rule does not contain any information collection requirements that require the approval of the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

#### **List of Subjects in 48 CFR parts 2, 9, 13, 16, 19, 22, 25 and 52**

Government procurement.

William F. Clark,  
Director,  
Office of Government-wide

Acquisition Policy,  
Office of Acquisition Policy,  
Office of Government-wide Policy.

Therefore, DoD, GSA, and NASA propose amending 48 CFR parts 2, 9, 13, 16, 19, 22, 25, and 52 as set forth below:

1. The authority citation for 48 CFR parts 2, 9, 13, 16, 19, 22, 25, and 52 continues to read as follows:

**AUTHORITY:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

**PART 2—DEFINITIONS OF WORDS AND TERMS**

2. Amend section 2.101, in paragraph (b) by—

a. In the definition "Micro-purchase threshold" removing from the introductory text "\$3,500" and adding "\$10,000" in its place, removing from paragraph (2) the word "and" at the end of the sentence, removing from paragraph (3)(ii) "States." and adding "States; and" in its place, and adding paragraph (4); and

b. In the definition "Simplified acquisition threshold" removing from the introductory text "\$150,000" and adding "\$250,000" in its place, and removing from paragraph (2) "\$300,000" and adding "\$500,000" in its place.

The addition reads as follows:

**2.101 Definitions.**

\* \* \* \* \*

(b) \* \* \*

Micro-purchase threshold \* \* \*

(4) For acquisitions of supplies or services from institutions of higher education (20 U.S.C. 1001(a)) or related or affiliated nonprofit entities, or from nonprofit research organizations or independent research institutes—

(i) \$10,000; or

(ii) A higher threshold, as determined appropriate by the head of the agency and consistent with clean audit findings under 31 U.S.C. chapter 75, Requirements for Single Audits; an internal institutional risk assessment; or State law.

\* \* \* \* \*

**PART 3 - IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST**

\* \* \* \* \*

**3.502-3 [Amended]**

3. Amend section 3.502-3 by removing “the simplified acquisition threshold” and adding “\$150,000” in its place.

\* \* \* \* \*

**PART 9—CONTRACTOR QUALIFICATIONS**

**9.104-5 [Amended]**

4. Amend section 9.104-5 by removing from paragraph (a) (2) “\$3,500” and adding “\$10,000” in its place.

**9.406-2 [Amended]**

5. Amend section 9.406-2 by removing from paragraph (b) (1) (v) "\$3,500" and adding "the threshold at 9.104-5(a) (2)" in its place.

**9.407-2 [Amended]**

6. Amend section 9.407-2 by removing from paragraph (a) (7) "\$3,500" and adding "the threshold at 9.104-5(a) (2)" in its place.

**PART 13—SIMPLIFIED ACQUISITION PROCEDURES**

7. Amend section 13.003 by revising paragraph (b) (1) to read as follows:

**13.003 Policy.**

\* \* \* \* \*

(b) (1) Acquisitions of supplies or services that have an anticipated dollar value exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold are reserved exclusively for small business concerns and shall be set aside (see 19.000, 19.203, and subpart 19.5).

\* \* \* \* \*

8. Amend section 13.005 by revising paragraph (a) to read as follows:

**13.005 List of laws inapplicable to contracts and subcontracts at or below the simplified acquisition threshold.**

(a) The following laws are inapplicable to all contracts and subcontracts (if otherwise applicable to subcontracts) at or below the simplified acquisition threshold pursuant to 41 U.S.C. 1905:

(1) 41 U.S.C. 8102(a)(1) (Drug-Free Workplace), except for individuals.

(2) 10 U.S.C. 2306(b) and 41 U.S.C. 3901(b) (Contract Clause Regarding Contingent Fees).

(3) 10 U.S.C. 2313 and 41 U.S.C. 4706 (Authority to Examine Books and Records of Contractors).

(4) 10 U.S.C. 2402 and 41 U.S.C. 4704 (Prohibition on Limiting Subcontractors Direct Sales to the United States).

(5) 15 U.S.C. 631 note (HUBZone Act of 1997), except for 15 U.S.C. 657a(b)(2)(B), which is optional for the agencies subject to the requirements of the Act.

(6) 31 U.S.C. 1354(a) (Limitation on use of appropriated funds for contracts with entities not meeting veterans employment reporting requirements).

(7) 22 U.S.C. 2593e (Measures Against Persons Involved in Activities that Violate Arms Control Treaties or Agreements with the United States). (The requirement at 22 U.S.C. 2593e(c)(3)(B) to provide a certification does not apply).

\* \* \* \* \*

**13.501 [Amended]**

9. Amend section 13.501 by removing from paragraph (a) (2) (i) "\$150,000" and adding "the simplified acquisition threshold" in its place, and removing from paragraph (a) (2) (ii) "\$700,000" and adding "\$700,000 or the thresholds in paragraph (1) of the definition of simplified acquisition threshold in FAR 2.101," in its place.

**PART 16—TYPES OF CONTRACTS**

**16.206-2 [Amended]**

10. Amend section 16.206-2 by removing from the introductory text "\$150,000" and adding "the simplified acquisition threshold" in its place.

**16.206-3 [Amended]**

11. Amend section 16.206-3 by removing from paragraph (a) "\$150,000" and adding "the simplified acquisition threshold" in its place.

**16.207-3 [Amended]**

12. Amend section 16.207-3 by removing from paragraph (d) "\$150,000" and adding "the simplified acquisition threshold" in its place.

**PART 19—SMALL BUSINESS PROGRAMS**

13. Amend section 19.203 by revising paragraph (b) to read as follows:

**19.203 Relationship among small business programs.**

\* \* \* \* \*

(b) At or below the simplified acquisition threshold.

For acquisitions of supplies or services that have an anticipated dollar value exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold, the requirement at 19.502-2(a) to exclusively reserve acquisitions for small business concerns does not preclude the contracting officer from awarding a contract to a small business under the 8(a) Program, HUBZone Program, SDVOSB Program, or WOSB Program.

\* \* \* \* \*

**19.502-1 [Amended]**

14. Amend section 19.502-1 by-

a. Removing from paragraph (b) "of \$3,500 or less (\$20,000 or less for acquisitions as described in 13.201(g)(1))" and adding "valued at or below the micro-purchase threshold" in its place, and

b. Removing "Part 8" in paragraph (b) and adding "part 8" in its place.

15. Amend section 19.502-2 by-

a. Revising the second sentence in paragraph (a), and

b. Removing from paragraph (b) "\$150,000" and adding "the simplified acquisition threshold" in its place.

The revision reads as follows:

**19.502-2 Total small business set-asides.**

(a) \* \* \* Each acquisition of supplies or services that has an anticipated dollar value exceeding the micro-purchase threshold, but not over the simplified acquisition threshold, is automatically reserved exclusively for small business concerns and shall be set aside for small business unless the contracting officer determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery. \* \* \*

\* \* \* \* \*

**19.508 [Amended]**

16. Amend section 19.508 by removing from paragraph (e) "\$150,000" and adding "the simplified acquisition threshold" in its place.

**PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT**

**ACQUISITIONS**

**22.1803 [Amended]**

17. Amend section 22.1803 by removing from the introductory text "the simplified acquisition threshold" and adding "\$150,000" in its place.

**PART 25—FOREIGN ACQUISITION**

**25.703-2 [Amended]**

18. Amend section 25.703-2 by removing from paragraph (a) (2) "\$3,500" and adding "\$10,000" in its place.

**25.703-4 [Amended]**

19. Amend section 25.703-4 by removing from paragraphs (c) (5) (ii), (c) (7) (iii), and (c) (8) (iii) "\$3,500" and adding "the threshold at 25.703-2(a) (2)" in its place, respectively.

**PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

20. Amend section 52.203-16 by revising the date of the clause and removing from paragraph (d) (1) "\$150,000" and adding "the simplified acquisition threshold" in its place.

The revision reads as follows:

**52.203-16 Preventing Personal Conflicts of Interest.**

\* \* \* \* \*

PREVENTING PERSONAL CONFLICTS OF INTEREST (**DATE**)

\* \* \* \* \*

21. Amend section 52.209-5 by revising the date of the provision and removing from paragraph (a) (1) (i) (D) introductory text "\$3,500" and adding "the threshold at 9.104-5(a) (2)" in its place.

The revision reads as follows:

**52.209-5 Certification Regarding Responsibility Matters.**

\* \* \* \* \*

CERTIFICATION REGARDING RESPONSIBILITY MATTERS (DATE)

\* \* \* \* \*

22. Amend section 52.212-1 by revising the date of the provision and removing from paragraph (j) "\$3,500, and offers of \$3,500" and adding "the micro-purchase threshold, and offers at the micro-purchase threshold" in its place.

The revision reads as follows:

**52.212-1 Instructions to Offerors—Commercial Items.**

\* \* \* \* \*

INSTRUCTIONS TO OFFERORS—COMMERCIAL ITEMS (DATE)

\* \* \* \* \*

23. Amend section 52.212-3 by—

(a) Revising the date of the provision;

(b) Removing from paragraph (h)(4) introductory text "\$3,500" and adding "the threshold at 9.104-5(a)(2)" in its place; and

(c) Removing from paragraph (o)(2)(iii) "\$3,500" and adding "the threshold at 25.703-2(a)(2)" in its place.

The revision reads as follows:

**52.212-3 Offeror Representations and Certifications—Commercial Items.**

\* \* \* \* \*

OFFEROR REPRESENTATIONS AND CERTIFICATIONS—COMMERCIAL ITEMS (DATE)

\* \* \* \* \*

24. Amend section 52.212-5 by-

(a) Revising the date of the clause;

(b) Removing from paragraph (b) (17) (i) "(Aug 2018)" and adding "(DATE)"; and

(c) Removing from paragraph (b) (17) (v) "(Aug 2018)" and adding "(DATE)" in its place.

The revision reads as follows:

**52.212-5 Contract Terms and Conditions Required To Implement Statutes or Executive Orders—Commercial Items.**

\* \* \* \* \*

CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE  
ORDERS—COMMERCIAL ITEMS (DATE)

\* \* \* \* \*

25. Amend section 52.219-9 by-

a. Revising the date of the clause;

b. Removing from paragraph (d) (11) (iii) "\$150,000" and adding "the simplified acquisition threshold" in its place;

c. Revising the date of Alternate IV; and

d. In Alternate IV, removing from (d) (11) (iii) "\$150,000" and adding "the simplified acquisition threshold" in its place.

The revisions read as follows:

**52.219-9 Small Business Subcontracting Plan.**

\* \* \* \* \*

SMALL BUSINESS SUBCONTRACTING PLAN (DATE)

\* \* \* \* \*

Alternate IV (DATE). \* \* \*

\* \* \* \* \*

26. Amend section 52.225-25 by revising the provision title and date, and removing from paragraph (c) (3) "\$3,500" and adding "the threshold at 25.703-2(a) (2)" in its place.

The revisions read as follows:

**52.225-25 Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications.**

\* \* \* \* \*

PROHIBITION ON CONTRACTING WITH ENTITIES ENGAGING IN CERTAIN ACTIVITIES

OR TRANSACTIONS RELATING TO IRAN—REPRESENTATION AND CERTIFICATIONS

(DATE)

\* \* \* \* \*

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